

**H.R. 531—A BILL TO AMEND THE
GENERATION-SKIPPING TRANS-
FER TAX LAW**

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1997

Mr. HOUGHTON. Mr. Speaker, my colleague, Mr. MATSUI and I, introduced H.R. 531 on February 4, 1997. The legislation will add two amendments to the generation-skipping tax [GSTT] law which we believe were unintentionally omitted by Congress at the time the original provisions were enacted. The changes recommended by H.R. 531 were adopted by Congress as section 11074 of the Balanced Budget Act of 1995 which was eventually vetoed by the President. The legislation concentrates on the "predeceased parent exclusion" of the GSTT law, which provides that GST tax is not applied to direct gifts or bequests made by a grandparent to a grandchild where the grandchild's parent—the transferor's child—is deceased at the time of the transfer. When this situation occurs, there is no generation-skipping, since the child—grandchild's parent—is dead; therefore, it is not appropriate to add GST tax on top of ordinary estate or gift taxes, and the predeceased parent exclusion properly excludes such transfers from the GST tax.

Our bill would expand the predeceased parent exclusion to apply to gifts by persons without lineal descendants and to trust gifts.

First, gifts or bequests by a childless individual to collateral descendants would be treated as the same as transfers by persons with lineal descendants. Accordingly, the exclusion would be extended to apply to transfers made by a childless individual to his or her grandniece and grandnephew in the situation where the individuals siblings and nieces and nephews are all deceased at the time of transfer.

Second, the bill applies the predeceased parent exclusion to transfers made through a trust. Under current law, the predeceased parent exclusion is limited, unintentionally, we believe, to direct gifts and bequests, and does not apply to trusts gifts even if the parent of the receiving beneficiary was deceased at all relevant times. In addition to other trusts, this provision particularly affects certain charitable trusts where the charity would have an interest for a period of years before distributing property to the individual beneficiaries. In the situation where the beneficiary's parent is dead, and was dead when the trust was created, there is certainly no generation skipping involved which would justify the levy of an additional tax. It is important to note that these trusts are significant sources of financial support for many charities, and should not be discouraged, unintentionally, where not necessary for the policy of underlying tax provisions. The bill would remove this obstacle.

The terminations, distributions, and transfers to which this bill would apply are those occurring on or after the date of enactment, which would be generation-skipping transfers as defined in section 2611 of the Internal Revenue Code and subject to the GST tax, except for the application of the predeceased parent exclusion as amended by this legislation.

The proposed legislation has substantial support from charities, both large and small, and of all types, such as: social services pro-

viders, museums, libraries, hospitals, and universities, from around the country. We urge our colleagues to join us in support of this legislation.

**TRIBUTE TO 1997 HONOREES OF
BLACK WOMEN OF ACHIEVEMENT**

HON. MAXINE WATERS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1997

Ms. WATERS. Mr. Speaker, we often hear the complaint that people just don't care anymore; that the "I've got mine, you get yours" mentality permeates all segments of our society. People who say that, obviously, haven't crossed the path of Black Women of Achievement. This volunteer, professional women's organization has spent 14 years quietly working to raise funds to support the NAACP Legal Defense and Educational Fund and honor black women for outstanding achievements and significant contributions to their communities. The NAACP Legal Defense and Educational Fund is an organization that uses the law to pry open the doors of opportunity for African-Americans, other people of color, women, and the poor.

BWA has been on a mission, and it has succeeded over and over and over. In just the last 3 years, the organization has raised over \$500,000 for LDF. In addition, some 200 African-American women have been honored at its annual fund raising luncheons.

On June 20, 1997, BWA will honor 16 extraordinary African-Americans. It is my pleasure to enter into the CONGRESSIONAL RECORD, this tribute to Black Women of Achievement and its 1997 honorees. They represent the best of America. I commend them for their tenacity, determination, and spirit. They are blazing a trail that gives future generations hope for a world of equality, fairness, and justice.

The 1997 honorees are: actress/minister Della Reese; actress JoMarie Payton-Noble; renowned entrepreneur-artist Synthia Saint James; Rachel Marie Burgess, division chief, Los Angeles County Sheriff's Department; Adrienne Y. Crowe, regional senior vice president, Bank of America; Shirley Douglas, vice president, business development, Bechtel Infrastructure Corp.; Sheila Frazier, producer, Black Entertainment Television; Angela Gibson, public affairs director, Pacific Telesis; Carolyn L. Green, director of government and public affairs, Ultramar Diamond Shamrock Corp.; Rae Franklin James, executive officer, customer relations and communications, Los Angeles County Metropolitan Transit Authority; Jacqueline E. Massey, administrator, network design, GTE; Iris Stevenson, teacher/director, Crenshaw High School Elite Choir; Debra J. Williams, program manager, Southern California Edison; Rhonda Windham, general manager, LA Sparks; and Della Walton York, district sales manager, AVON.

BWA also pays special recognition to the outstanding achievements of others who support the goals of the organization and their communities. Special recognition has gone to such notables as actor-activist Ossie Davis and veteran news anchor Pat Harvey. The 1997 special recognition award will go to John W. Mack, president of the Los Angeles Urban League.

The 1997 luncheon will be opened with an invocation by Rev. Dr. O.C. Smith, City of Angeles Church of Religious Science.

BWA Committee members are: Beverly Whitaker, 1997 chair, Occidental Petroleum Corp.; Betty A. Johnson, 1997 cochair, Department of Water & Power; Pat Johnson, 1997 cochair, Health Point Services of America; Josephine Alexander, Chi Eta Phi; Berlinda Fontenot-Jamerson, Pacific Enterprises/The Gas Co; Carolyn J. Fowler, AT&T; Angela Gibson, Pacific Telesis; Jackie Hempstead, Bank of America; Karen (Kay) Hixson, Karen Hixson & Associates; Beverly A. King, King & Wright Consulting; Doris LaCour; Office, Supervisor Yvonne Brathwaite Burke; Jackie Massey, GTE; Gloria Pualani, Northrop Grumman; Natalie L. Sanders, M.D., Association of Black Women Physicians; Rose Mary Spriggs, consultant; Sylvia Swilley, M.D., Kaiser Permanente; Pat Watts, Edison International/retired; and Linda Young, public relations consultant.

**REGARDING THE ASIAN
ELEPHANT CONSERVATION ACT**

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1997

Mr. SAXTON. Mr. Speaker, yesterday, I introduced the Asian Elephant Conservation Act which would set up a special elephant fund for the Interior Department to administer and would authorize \$5 million annually over the next 5 fiscal years to be spent on Asian elephant conservation.

At an educational event held yesterday on the Capitol Grounds, I was able to share with other Members all the majesty and wonder of the Asian elephant. It was evident that these creatures are formidable, and one would think they are invincible. Sadly they are not. Indeed, the Asian elephant is in grave danger of extinction. And that is why the United States, as a world leader in conservation, must step forward and assist in Asian elephant conservation.

Unlike the African elephant whose recent decline has been caused by the dramatic large-scale poaching for ivory, the Asian elephant is faced with more diffuse threats. The increasing pressures of human population growth, along with the necessary changes in land use, has caused habitat destruction that now has elephants and people in direct competition for resources.

Because of incremental habitat loss and degradation, Asian elephant populations are highly fragmented. Drastic fragmentation has increased chances of extinction to each fragmented population. Our hope is that this bill will reverse this trend.

For the record, I am including statements on the Asian elephant by Dr. Raman Sukumar, chairman of the IUCN/SSC Asian Elephant Specialist Group; Mr. Douglas H. Chadwick, a wildlife biologist, and author of "The Fate of the Elephant"; Ms. Ginette Hemley, director of international wildlife policy for the World Wildlife Fund; Dr. Mary Pearl, executive director of the Wildlife Preservation Trust International, Inc.; Dr. Chris Wemmer, associate director for conservation and research at the Smithsonian Institution; and Ms. Shanthini Dawson, wildlife